

CONFIDENTIAL/NOFORN



BUREAU OF INTELLIGENCE
AND RESEARCH

Intelligence Report

DEPARTMENT OF STATE
LIBRARY DIVISION

August 26, 1959

SEP 19 1959

LR FILE COPY
PLEASE RETURN

REVIEW

GERMANY AND THE WESTERN ALLIANCE

Gaining
881-4 (287-292)

() CLEARANCE () DOWNGRADE TO () E or () G, G, G, G

Because of Germany's exposed position, the Government of the Federal Republic places the greatest importance on united political and military support from its NATO allies. It is therefore profoundly disturbed by divisive tendencies among them, especially in a period of increased Soviet pressure on Germany. In the assessment of the Adenauer Government, the degree to which it can rely on the US as Germany's principal ally may now be impaired by the growing emphasis of the US, since 1956, on long-range weapons and apparent American reluctance to increase defense spending, coupled with German fears that the US, as indicated in the Berlin crisis, may now be less willing to take military action to meet its commitments. In Western Europe, the Federal Republic has been dismayed by UK pressure for a detente with the USSR, and by French willingness to weaken NATO in support of its nationalist policies, though France's firmness on the Berlin issue and its challenge to US-UK leadership have augmented West Germany's efforts toward Franco-German rapprochement. The German Government believes that an increasingly confident USSR is seeking to isolate, and eventually absorb, West Germany, and that Western disunity and conciliation will only abet Soviet objectives. In this framework, the Adenauer Government is eager to repair the Western Alliance, particularly the breach between the US and France. If this fails, and a US-UK combination appears to be moving toward an understanding with Khrushchev, Adenauer will be forced to shift his main reliance to France and De Gaulle.

Introduction

The Federal Republic is more exposed to foreign pressure and more dependent upon outside political and military support than any other Western European country. Without support, West Germany's existence is in jeopardy.

THIS IS AN INTELLIGENCE REPORT AND NOT A POLICY STATEMENT

CONFIDENTIAL/NOFORN

NND 881137 (289)

because of its geographic position and Soviet designs. Moreover, its intermediate and long term objectives, respectively European political and economic integration and reunification of Germany, would be unobtainable.

Under the leadership of Chancellor Adenauer, the West German Government has sought to broaden the base of its external support in the form of US guarantees and military presence, Franco-German rapprochement, and membership in NATO and other multilateral European organizations such as the Coal and Steel Community, Euratom and the Common Market. However, in German eyes, developments since 1955 culminating in recent manifestations of growing Soviet power and confidence combined with indications of US and UK uncertainty and willingness to compromise on such issues as Berlin, are cause for reviving dormant German fears that some of the vital external underpinnings for Germany may be shifting. Because of the vulnerability of the Federal Republic, this raises more acutely than heretofore, the need for German reappraisal of alternative courses of action. The seriousness with which the German Government currently weighs even day to day variations in American, British or French actions reveals that it believes decisions vital to its interests are in the offing. [For the first time, since the critical period of 1954 when EDC collapsed, the German Government sees that there is a real possibility of withdrawal of US forces from Europe and a rearrangement of the alignments and power factors on the continent.] 123-5

I. GERMAN MEMBERSHIP IN THE ALLIANCE

When the Federal Republic entered NATO on May 5, 1955, its longstanding moral and political affinity for the West was formalized and a device was provided for it to participate directly in Western military security. While the opposition Social Democrats charged that the national goal of German reunification would be precluded by this decision, since the USSR would never agree to a unified Germany retaining its NATO membership, the Christian Democratic-conservative coalition was able to carry the German public with it. The principal affirmative arguments were the German need for security and for Western support in the face of Soviet pressure. Simultaneously, the principal Western Powers assisted the German entry into NATO and WEU by relinquishing their occupation status in the Federal Republic, by pledging to work for German reunification through retention of their responsibilities for Berlin and Germany as a whole, and by guaranteeing West German security through the presence of their forces, under the NATO label, in the Federal Republic. Thus German objectives were adequately met by the specified policies of the Western Alliance.

II. GERMAN GOVERNMENT ASSESSMENT OF RECENT DEVELOPMENTS

A. In the West

In the period since 1955, the Adenauer Government and the conglomerate Christian Democratic party have become increasingly concerned with the

- 3 -

SECRET

shifting policies of Germany's Western Allies and the growing might of the USSR. The following are widely held views in the German Government:

The US, regarded as Germany's strongest and staunchest partner, has begun to revise its national strategy beginning with the so-called Radford Plan in 1956. The loss of absolute American military superiority over the USSR, the changing military technology with increased reliance on long range weapons systems and nuclear energy, and the ostensible decline of American willingness to make sacrifices from current consumption to meet increasingly expensive military requirements have been interpreted by the German leaders as signs of a lag in American determination to rise to the challenge of the Soviet Union. The application of American power in specific crises, such as Lebanon and Quemoy, have helped restore German faith in the US but American flirtation with UK willingness to make concessions in the Berlin crisis has driven home to many Germans in all parties the dread that perhaps the US can no longer be counted upon in absolute terms and that it is urgent to weigh alternative policies should US weakness become more pronounced through steady erosion of its position in Europe.

While the Suez fiasco in 1956 and the prolonged Algerian conflict demonstrated to Germans that their principal European Allies were inclined to put national interests above all others, the actions of the UK and France during the Berlin crisis have been interpreted by Germans as proof that these Powers may even go to the extreme of sacrificing the unity of the Alliance and individual members of the Alliance to gain their goals.

The Macmillan trip to Moscow and the readiness of the UK to come to terms with the USSR over Berlin by recognizing the division of Germany as permanent and by making military concessions on "liquidation of forces" in Central Europe have aroused the normally suspicious Adenauer so that he was reluctant to agree to any Western proposals at the Geneva Conference of Foreign Ministers even for tactical purposes.

The French withdrawal of its fleet from NATO, the De Gaulle decision to refuse stockpiling of nuclear warheads in France for American NATO squadrons, and the De Gaulle statement supporting the Oder-Neisse line as the frontier between Germany and Poland have shown the Germans that France is willing to press hard on her Allies to achieve her goals.

However, timely French support of the Federal Government's hard position on Berlin and French efforts to curtail the dominance and the tendencies of the US-UK leadership in the West have resulted not only in German acceptance of but even plaudits for French actions. The result is unprecedented Franco-German cooperation and a discernible trend toward even closer association.

SECRET

DECLASSIFIED

B. In the East

As to its Eastern problems, the German Government has not altered its longstanding estimate of the nature of the Soviet threat and Soviet designs in Germany. The Germans, of every political leaning, including the Communists, are convinced that the Soviet aim is to isolate, neutralize and absorb the Federal Republic and Berlin. The Germans believe that the Soviets over-emphasize the potential military and political threat of Germany to the USSR, but they consider Soviet fears of a resurgent Germany and Soviet desires to obtain German resources basic elements in Soviet policy. The Soviet development of the East German area, both as a base of operations against West Germany and as a valuable addition to the strength of the Soviet bloc, is considered a corollary of the general policy.

Recent Soviet moves, particularly the Berlin crisis and Khrushchev's personal diplomacy, are seen by the German Government as evidence of Soviet confidence in the growing strength of the USSR and the bloc. The Federal Government believes the USSR's objectives in the Berlin crisis began with Berlin but go far beyond it. This assessment has been confirmed, to the Germans, by Khrushchev's Summit Conference efforts. The Germans consider that efforts to split the Western Alliance militarily, to gain large potential economic increments to Soviet power and to restrict the military build-up of West Germany with nuclear weapons are linked to important internal objections in obtaining Berlin, strengthening East Germany and stabilizing the satellite bloc. The Germans believe that any Russian gains will be exploited as rapidly as possible, commensurate with Soviet estimates of Western reactions. The Soviet appetite is insatiable. But they will avoid war to gain their ends since hostilities would threaten internal Soviet and bloc security.

C. Moderating Factors

There have been a number of moderating factors in the German Government's assessment, which have helped to affect its gloomy estimate of the declining strength, unity and purpose of the Western Alliance and the nature and strength of the Soviet challenge. L 35

Externally, the rapid progress and consolidation in France under De Gaulle and the gradual steady growth of functional integration in Western Europe, with German participation, have encouraged the German Government.

Internally, the Federal Republic is enjoying unprecedented prosperity with full employment, bountiful exports and increased standards of living. Moreover, the internal political situation is not threatening to the Government. This Spring's power struggle in the Christian Democratic Union between Adenauer and Ludwig Erhard weakened the party but it is at least counter-balanced by the widespread dissension and elbowing for position in the opposition Social Democratic Party. It is unlikely that the current Adenauer leadership will be displaced in the next two years by political action and, at this distance, the Government has a fine opportunity of winning a fourth 4-year term in 1961.

- 5 -
 DECLASSIFIED
 III. ALTERNATIVE GERMAN POLICIES

Given the exposed position and national objectives of the Federal Republic, there are three possible courses of action open to any German Government: Alignment with the West, neutrality, and alignment with the USSR.

Only the Communists favor pro-Soviet orientation. They prefer to approach it via neutrality both to obtain broader popular support, since most Germans are anti-Soviet, anti-Communist and anti-Slav, and to harness the dissident Social Democrats and other German elements whose views encompass fear of nuclear weapons, permanent loss of German national identity and reunification, and abandonment of the East German people to the Soviet bloc. The sentiment for neutrality and accommodation with the USSR has tended to increase since 1957 and Sputnik and since hopes for reunification have receded in the Berlin crisis. However, proponents of these policies are still a minority in the leading political parties and in the Government and the danger they portend is not immediate although the potential is present.

As to alignment with the West, there is no doubt that this represents the preference of the people and the policy of the Government of the Federal Republic. However, the form and content of pro-Western alignment is now subject to the external changes which are unfolding in terms of growing Soviet power, De Gaulle's objectives for France, and the threatened decline of US-UK power and influence on the continent. The Adenauer Government is concerned that it may be forced to choose between NATO as it now exists and a Continental Bloc based on the EEC members and led by France. This will pose a dilemma of great moment both for Germany and for the future of the Western Alliance. Therefore, Adenauer's efforts will continue to be directed toward persuading the US to come to an understanding with De Gaulle and to avoid a showdown. He has clearly demonstrated this effort in word and deed in conversations with Mr. McCloy and General Norstad urging American reappraisal of De Gaulle and in German support for French policy in Algeria. However, if the US rebuffs De Gaulle, increases its support for the UK and appears to be moving toward an understanding with Khrushchev, Adenauer will be forced to opt for De Gaulle in order to preserve the existence of the Federal Republic. Whether this painful decision will be required depends, in German eyes, upon factors which are outside her direct influence. Therefore Adenauer has placed the greatest importance on his chance to consult with President Eisenhower on August 27.

DECLASSIFIED